Ferm 3160-3 (Nevember 1983) (femerly 9-331C) SUBMIT IN LICATE.

(Other Instructions on reverse side)

Ferm approved Budget Bureau No 1004-0136 Expires August 31, 1985

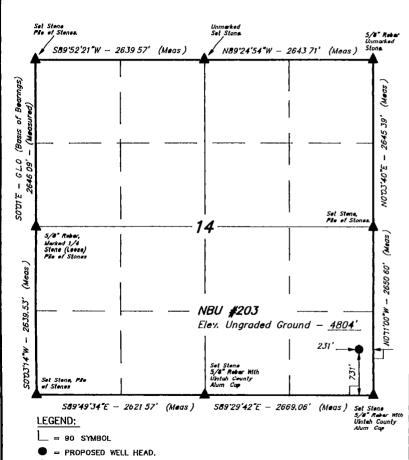
## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5 I BARE DESIGNATION AND SERIAL NO U-01193 S IF INDIAN ALLOTTER OR TRIBE NAME

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2 NAME OF OPERATOR	era cas orange		<u></u>			NBU	
	Gas Corporatio	n				203	
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P O Box 749	eport location clearly and	80201-0749	Any State require			Natural Butt	
	FSL & 231' FEL					11 BEC. T B M. OB 1	
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14 DINTANCE IN MILES	AND DIRECTION FROM SEA	REST TOWN OR POST	OFFICE*			12 COLVIT OR PARIST	13 STATE
	18 miles south	east of Oura				bintah	Utah
LOCATION TO VEASEST	T		16 NO OF ACRES	IN LEARE		F ACRES ASSIGNED	
PROPERTY OR LEADE 1	INE FT guit line if any;	731'	1920		50		
14 DISTANCE PROM PROI TO NEVERT WELL DO OR APPLIED FOR ON TH	COMED LOCATIONS	15001	19 THOPOSED DELT	111		RF OR CABIR TOOLS	
OR APPLIED FOR ON TH		1500'	6400'		KOT	ary	3F W//
21 ELEVATIONS (SPOW V.	emer DF RT GR, etc.)	4804' GI	R			October 15	
21	,	PROPOSED CASIN	··	NG PROGRAM	 1	1 0000001 35	,
SIZE OF HOLE	MIZE OF CABING	WEIGHT PER PO	OT ASTTIN	G DEPTH		QUANTITY OF CRME?	ıT
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7-7/8"	5-1/2" K-55	17 01	0 -	6400'	1000	GARGE BO BU	rface *
* Cement volumes may change due to hole size							
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Interest Owne	rs to conduct l	ease operat:	lons associa	ted with	this	Application fo	r Permit
to Drill the	NBU #203, Feder	al Lease U-(	01193 Bond	coverag	e purs	uant to 43 CFR	3104
for lease act	ivities is beir	g provided l	by Coastal C	11 & Gas	Corpo	ration, Nation	wide
Bond #CO-0019	, who will be I	esponsible i	for complian	ce with	all th	e terms and co	nditions
of that porti	on of the lease	associated	with this a	pplicati	on.		
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## T9S, R21E, S.L.B.&M.



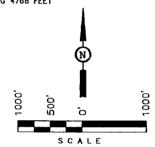
= SECTION CORNERS LOCATED

## COASTAL OIL & GAS CORP.

Well location, NBU #203, loated as shown in the SE 1/4 SE 1/4 of Section 14, T9S, R21E, SLB &M Uintah County Utah

## BASIS OF ELEVATION

SPOT ELEVATION AT THE NW CORNER OF SECTION 14, 19S, R21E, S.L.B. AM TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UNITAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY SAID ELEVATION IS MARKED AS BEING 4768 FEET



## CERTIFICATE.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEGGE AND BELTY

REGISTERED LAND SURVEYOR REGISTRATION NO 5709

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL UTAH 84078
(801) 789-1017

SCALE 1" = 1000' DATE SURVEYED SATE DRAWN

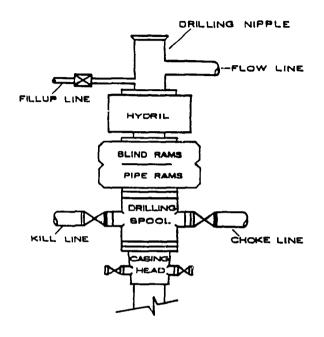
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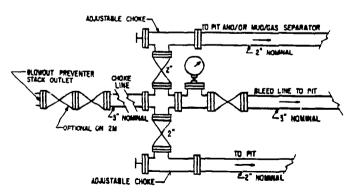
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PARTY JF CY REH
REFERENCES
GLO PLAT

WEATHER HOT FILE COASTAL OIL & GAS CORP

## BOP STACK





#### COASTAL OIL & GAS CORPORATION Lease #U-01193, NBU #203 SE/SE, Section 14, T9S, R21E Uintah County, Utah

#### Drilling Prognosis

Estimated Tops of Important Geologic Markers:

Uinta Surface Wasatch 4930' Total Depth 6400'

 Estimated Depths of Anticipated Water, Oil, Gas or Mineral Formations:

Wasatch 4930' Gas (Primary Objective)

If any shallow water zones are encountered, they will be adequately protected and reported; none anticipated. All potentially productive hydrocarbon cones will be cemented off.

- 3. Pressure Control Equipment: (Schematic Attached)
  - A. Type: 10" Double Gate Hydraulic.

The Blow-Out Preventer will be equipped as follows:

- One (1) blind ram (above).
- 2 One (1) pipe ram (below).
- Kill line (2-inch minimum).
- 4. One (1) kill line valve (2-inch minimum).
- 5. One (1) choke line valve.
- 6. Two (2) adjustable chokes.
- 7. Upper kelly cock valve with handle available.
- 8. Safety valve & subs to fit all drill strings in use.
- 9. 2-inch (minimum) choke line.
- 10. Pressure gauge on choke manifold.
- B. Pressure Rating: 2,000 psi
- C. Testing Procedure:

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer

## 3. Pressure Control Equipment:

C. Testing Procedure: Continued

At a minimum, the above pressure test will be performed:

- 1. When the BOP is initially installed.
- 2. Whenever any seal subject to test pressure is broken.
- Following related repairs; and
- 4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment.

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

#### E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retair 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

## F. Special Drilling Operations:

In addition to the equipment already specified in Items A through E, above, the following equipment will be in place and operational during air/gas drilling:

- 1. Properly lubricated and maintained rotating head.
- 2. Spark arresters on engines or water cooled exhaust.
- Blooie line dischrage 100 feet from wellbore and securely anchored.

#### 3. Pressure Control Equipment:

## F. Special Drilling Operations: Continued

- Coastal requests a variance to the straight run on the bloose line. Bloose line will have two targeted tees
- Deduster equipment (not required for aerated water system).
- All cuttings and circulating medium(s) shall be directed into a reserve or blooie pit.
- 7. Float valve above bit.
- Automatic igniter or continuous pilot light on the bloose line (not required for aerated water system).
- Compressors located in the opposite direction from the blooie line and at a minimum of 100 feet from the wellbore.
- 10. Mud circulating equipment, water, and mud materials (does not have to be pre-mixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

#### G. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold will be located outside the rig substructure. BOP will be fitted with handwheels and extension. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the wellhead but readily accessible to the driller.

Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

## 4. The Proposed Casing and Cementing Program: (All New)

## A. Casing Program

Hole Size Casing Size Wt./Ft. Grade Joint Depth Set

Casing string(s) will be pressure tested to 0.22 psi per foot, or 1500 psi (not to exceed 70% of the internal yield strength of the casing), whichever is greater, after cementing and prior to drilling out from under the casing shoe.

## B. Cementing Program

Surface Casing : Cement with approximately 180 sx.

Class "G" cement + 2% CaCl<sub>2</sub> and

1/4#/sk Flocele circulated to surface
with 100% excess.

Production Casing: Lead with approximately 400 sx. Hifill cement with 1#/sx. capseal; tail with 600 sx. 50-50 POZ w/10% salt, 2% gel, .6% Halad 24, 1/4#/sx. Flocele & 1#/sx. capseal. Cement will be circulated back to surface with 30% excess.

Actual cement volumes to be required will be determined from the caliper log.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

#### 5. Mud Program: (Visual Monitoring)

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0-1500′	Aerated/ Mist			
1500-6400′	Aerated Water			

## 5. Mud Program: (Visual Monitoring - continued)

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

The surface hole will be drilled with an air mist system, injecting water 0 the rate of 15-20 gallons/minute, until the lost circulation zone is reached 0 ±1500°. At that point, Coastal Oil & Gas Corporation will switch to an aerated water system, utilizing the rig pumps to inject water at a rate of 190 gallons/minute to total depth.

## 6. Evaluation Program:

<u>Logs</u> : Dual Laterlog & Caliper : TD - Surface

FDC-CNL : TD - 2300'

DST'S : None anticipated.

Cores : None anticipated.

The proposed evaluation program may change at the discretion of the wellsite geologist, with prior approval from the Authorized Officer, Bureau of Land Manageament.

Stimulation : No stimulation or frac treatment has

been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all

completion activities.

Whether the well is completed as a dry hole or as a producer, Well Completion and Recompletion Report and Log (Form 3160-4) will be submitted to the Vernal District Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer, Vernal District Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Phone: (801) 789-1362.

## 7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 2976 psi (calculated at 0.465 psi/foot) and maximum anticipated surface pressure equals approximately 1568 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

## 8. Anticipated Starting Dates and Notification of Operations:

## A. Drilling Activity

Anticipated Commencement Date : October 15, 1992
Drilling Days : Approximately 10 days
Completion Days : Approximately 7 days

## B. Notification of Operations

The Vernal District Office, Burgau of Land Management will be notified at least twenty-four (24) hours <u>PRIOR</u> to the commencement of the following activities:

- Spudding of the well. This oral report will be followed up with a Sundry Notice (Form 3160-5).
- Initiating pressure tests of the blow-out preventer and related equipment.
- Running casing and cementing of <u>ALL</u> casing strings.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

## 8. Anticipated Starting Dates and Notification of Operations:

## B. Notification of Operations - Continued

In accordance with Onshore Operating Order #1, this well will be reported on MMS Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with the Royalty Management Program, Minerals Management Service, P. O. Box 17110, Denver, Colorado 80217.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the provisions of NTL-3A or its current revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed for prior approval of the Authorized Officer, and all conditions of this approved plan will be applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication no later than five (5) business days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the Authorized Officer, produced water may be temporarily disposed of into the reserve pit for a period of up to ninety (90) days. During this period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the Authorized Officer.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial thirty (30) day or otherwise authorized test period.

## 8. Anticipated Starting Dates and Notification of Operations:

## B. Notification of Operations - Continued

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the Vernal District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production notice.

No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer.

A "Notice of Intention to Abandon" (Form 3160.5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug & abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: "Fed" or "Ind", as applicable; Company Name, Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and Federal or Indian Lease Number.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days followiwng the actual plugging of the wellbore. This report will indicate where plugs were placed and the currenet status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. Final abandonment will not be approved until the surface reclamation work required by the approved Application for Permit to Drill has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate Surface Management Agency.

## 8. Anticipated Starting Dates and Notification of Operations:

## B. Notification of Operations - Continued

Pursuant to Onshore Operating Order #1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in such a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal and Indian lands.

## COASTAL OIL & GAS CORPORATION Lease #U-01193, NBU #203 SE/SE, Section 145, T9S, R21E Uintah County, Utah

#### Multi-Point Surface Use and Operations Plan

- 1. Existing Roads: Refer to Maps "A" & "B" (shown in ORANGE)
  - A. The proposed wellsite is staked and four 200-foot reference stakes are present.
  - В. Proceed westerly from Vernal on U. s. Highway approximately ±14.0 miles to the junction of State Highway 88; exit left and proceed south ±17.0 miles on State Highway 88 to Ouray, Utah; proceed south from Ouray ±6.9 miles on the Seep Ridge Road to the junction of this road and an existing oilfield service road to the east; turn left and proceed in an easterly direction along this road ±5.0 miles to a "T" intersection; turn left and proceed in a northerly direction ±0.3 miles to a "T" intersection; turn right and proceed in a northeasterly direction ±3.6 miles to a "T" intersection; turn left and proceed in a northeasterly direction ±1.6 miles to a four-way intersection; turn left and proceed in a northwesterly direction ±0.4 miles to a "T" intersection; turn left and proceed in a westerly direction ±0.5 miles to the NBU #10; proceed in a southwesterly direction ±0.1 miles to a "T" intersection; turn right and proceed in a westerly direction ±0.5 miles to the beginning of the proposed access road. Follow road flags in a southwesterly direction ±0.2 miles to the proposed location.
  - C. Access roads refer to Maps "A" and "B".
  - D. Access roads within a one-mile radius refer to Map "B".
  - E. The existing gravel roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the NBU #203 well location.
- 2. Planned Access Roads: Refer to Map "B" (Shown in GREEN)

Approximately 0.2 miles new road construction will be required for access to the proposed NBU #203 well location.

- A. Width maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned and ditched.
- B. Construction standard the access road will be constructed in accordance with Bureau of Land Management Roading Guidelines established for oil and gas exploration and

## 2. Planned Access Roads: Continued

B. development activities as referenced in the BLM/USFS publication: <u>Surface Operating Standards for Oil and Gas</u> Exploration and Development (1989).

The access road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction/upgrading will include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe road.

Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely.

Traveling off of the thirty (30) foot right-of-way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or the accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at a frequent intervals by means of cutouts.

Upgrading shall not be allowed during muddy conditions.

Should mud holes develop, they shall be filled in and detours around them avoided.

- C. Maximum grade 8%
- D. Turnouts turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic. None anticipated at this time.
- E. Drainage design the access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route.
- F. Culverts, cuts and fills no culverts will be required. There are no major cuts and/or fills on/along the proposed access road route.
- G. Surface materials (source) any construction materials which may be required for surfacing of the access road will be purchased from a local contractor having a permitted source of materials in the area, if required by the

#### 2. Planned Access Roads:

G. Continued

Authorized Officer, Bureau of Indian Affairs. None anticipated at this time. Native material from access location and access road will be used.

- H. Gates, cattlequards or fence cuts none required.
- I. Road maintenance during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in accordance with the original construction standards.

The access road right-of-way will be kept free of trash during operations.

J. The proposed access route has been centerline flagged.

## 3. Location of Existing Wells Within a One-Mile Radius:

Please refer to Map "C"

- A. Water wells none known.
- B. Abandoned wells NW1/4, SE1/4, Section 13, T9S, R21E SW1/4, SE1/4, Section 14, T9S, P21E SE1/4, SE1/4, Section 11, T9S, R21E
- C. Temporarily abandoned wells none known.
- D. Disposal wells none known.
- E. Drilling wells none known.
- G. Shut-in wells none known.
- H. Injection wells none known.
- I. Monitoring wells none known.

## 4. Location of Existing and/or Proposed Facilities:

- A. If well is productive the following guidelines will be followed:
  - A diagram showing the proposed production facilities layout will be submitted via Sundry Notice Form 3160-5 prior to facilities installation.
  - All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty-five (25) feet from the toe of the backslope or top of the fill slope.
  - The production facilities (consisting primarily of a christmas tree at the wellhead, dehydration unit, and emergency pit) will require an area approximately 300' x 135'.
  - 4. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the production facilities will be obtained from the site; any additional materials required will be purchased from a local supplier having a permitted (private) source of materials with the area.
    - A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.
  - 5. All permanent (on-site for six months or longer) abovethe-ground structures constructed or installed including pumping units will be painted a flat, nonreflective, earthtone color to match one of the standard environmental colors, as determined by the Five (5) State Rocky Mountain Interagency Committee.
    - All production facilities will be painted within six (6) months of installation. Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

The required paint color is <u>Carlsbad Canyon</u>, Munsell standard color number 2.5Y6/2.

## 4. Location of Existing and/or Proposed Facilities:

- A. If well is productive the following guidelines will be followed: Continued
  - If at any time the facilities located on public lands and authorized by the terms of the lease are no onger included in the lease (due to a contraction in the unit or other lease or unit boundary change), the Bureau of Land Management will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental or other financial obligation as determined by the Authorized Officer.
  - 7. A 4" surface gas pipeline will be installed from the NBU #203 gas well and tie into the existing gas pipeline located in Sections 13 and 14, T9S-R21E (see attached Topo Map D). This pipeline will be inside the Natural Buttes Unit boundary and within federal lease #U-01193. A 30' width easement of approximately 748' length is requested for this pipeline. There will be minimum surface disturbance as the pipeline will be laid on the surface.
- B. The production (emergency) pit will be fenced with woven wire mesh topped with one (1) strand of barbed wire held in place with metal side posts and wooden corner "H" braces in order to protect livestock and wildlife. Please refer to Item #9D (page #9) for additional information on the fencing specifications.
- C. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved Application for Permit to Drill.
- D. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the Bureau of Indian Affairs.

## 5. Location and Type of Water Supply:

A. Frashwater for drilling will be obtained from the Indian water line in Ouray, Utah, located in the SE1/4 of Section 37, Township 8 South, Range 20 East, Uintah County, Utah.

## 5. Location and Type of Water Supply:

- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed NBU #203 well location. No new construction will be required on/along the proposed water haul route. Access roads which cross off-lease Tribal lands on/along the proposed water haul route will be authorized under a separate right-of-way grant/special use permit to be obtained from the Uintah and Ouray Ute Indian Tribes and/or the Bureau of Indian Affairs prior to commencement of operations, if required.
- C. No water well will be drilled on this location.

## 6. Source of Construction Materials:

- A. Construction materials needed for surfacing of the well pad will be native from location and/or access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials in the area.
- D. No new access roads for construction materials will be required.

## 7 Methods of Handling Waste Materials:

- A. Cuttings the cuttings will be deposited in the reserve/blooie pit.
- B. Drilling fluids including salts and chemicals will be contained in the reserve/blooie pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

## 7. Methods of Handling Waste Materials:

B. Drilling fluids - Continued

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from Coastal Oil & Gas Corporation. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined. A plastic nylon reinforced liner will be used. It will be a minimum of 12 MIL thickness w/sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap poe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Authorized Officer.

C. Produced fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage self-contained, chemical toilets will be provided by Rocket Sanitation for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage (trash) and other waste material garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.

## 7. Methods of Handling Waste Materials: Continued

F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location upon the termination of drilling and completion operations. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.

## 8. Ancillary Facilities:

None anticipated.

## 9. Wellsite Layout:

- A. Figure #1 shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. A minimum of twelve (12) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the wellsite. Refer to Figure #1 for the location of the topsoil and subsoil stockpiles. (Stockpiled topsoil will be located on the northeast and southwest sides of the location.) The reserve pit will be located on the south side of the location. The flare pit will be located downwind of the prevailing wind direction on the southwest side of location. Access to the location will be from the east.
- B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be one (1) trailer on location during drilling operations for the toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3160-5) for approval of subsequent operations. Please refer to Item #4A (page #4) for additional information in this regard.

## 9. Wellsite Layout:

- D. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:
  - 39-inch net wire shall be used with at least one (1) strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
  - The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least 42 inches.
  - Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
  - Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
  - All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

E. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

## 10. Plans for Reclamation of the Surface:

## A. Production

- Irmediately upon well completion, the well location and surrounding area(s) will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- Immediately upon well complet o , any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7~1.

#### 10. Plans for Reclamation of the Surface:

- A. Production Continued
  - The plastic or nylon reinforced pit liner shall be torn and perforated before backfilling of the reserve pit.
  - 4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
  - 5. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface ±3 feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

- 6. For production, the fill slopes will be reduced from a 1.5:1 slope to a 3:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 3:1 slope by pushing the fill material back up into the cut.
- 7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces (including the access road and location) will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces (including the access road and well pad areas) will be reseeded with a seed mixture to be recommended by the Authorized Officer, Bureau of Indian Affairs.

Seed will be drilled on the contour to an approximate depth of one-half (1/2) inch. All seeding will be conducted after September 15 and prior to ground frost.

## 10. Plans for Reclamation of the Surface:

- B. Dry Hole/Abandoned Location
  - On lands administered by the Bureau of Indian Affairs, abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include:
    - (a) re-establishing, irrigation systems where applicable,
    - (b) re-establishing, soil conditions in irrigated field in such a way as to ensure cultivation and harvesting of crops and,
    - (c) ensuring revegetation of the disturbed areas to the specifications of the Uintah & Ouray Indian Tribes or the Bureau of Indian Affairs at the time of abandonment.
  - 2. All disturbed surfaces will be recontoured to the approximate natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed in the fall following completion of reclamation operations. Please refer to Item #10A7 (page #10) for additional information regarding the reseeding operation.

#### 11. Surface Ownership:

The wellsite and proposed access road are situated on surface lands owned by the Uintah and Ouray Ute Indian Tribes and administered in trust by:

Bureau of Indian Affairs Uintah & Ouray Agency P. O. Box 130 Fort Duchesne, Utah 84026 Phone: (801) /22-2406

## 12. Other Information:

A. Coastal Oil & Gas Corporation will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

If historic or archaeological materials are uncovered, Coastal Oil & Gas Corporation will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer, Bureau of Indian Affairs.

Within five (5) working days the Authorized Officer will inform Coastal Oil & Gas Corporation as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If Coastal Oil & Gas Corporation wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, Coastal Oil & Gas Corporation will be responsible for mitigation costs.

The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, Coastal Oil & Gas Corporation will then be allowed to resume construction.

## 12. Other Information: Continued

B. Coastal Oil & Gas Corporation will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the Bureau of Land Management, or the Uintah County Extension Office. On lands administered by the Bureau of Land Management, it is required that a "Pesticide Use Proposal" shall be submitted, and approval obtained, prior to the application of herbicides or other pesticides or possible hazardous chemicals for the control of noxious weeds.

On lands administered by the Bureau of Indian Affairs, it is required that a "Pesticide Use Proposal" be submitted and approval obtained prior to the application of herbicides, pesticides or possible hazardous chemicals for the control of noxious weeds.

# 13. Additional Stipulations for Operations on Lands Administered by the Bureau of Indian Affairs:

- A. If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, an approved right-of-way will be obtained from the Bureau of Indian Affairs before the operator begins any construction activities. If the surface is owned by another entity and the mineral rights are owned by the Ute Indian Tribe, rights-of-way will be obtained from the other entity.
- B. All roads constructed by oil and gas operators on the Uintah & Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state:
  - that the land is owned by the Uintah & Ouray Indian tribes,
  - the name of the operator,
  - that firearms are prohibited by all non-Tribal members,
  - that permits must be obtained from the Bureau of Indian Affairs before cutting firewood or other timber products, and
  - only authorized personnel are permitted to use said road.

# 13. Additional Stipulations for Operations on Lands Administered by the Bureau of Indian Affairs: Continued

- C. All well site locations on the Uintah & Ouray Indian Reservation will have an appropriate sign indicating the name of the Operator, the lease serial number, the well name and number, the survey description of the well (either footages or the quarter-quarter section, section, township and range).
- D. Coastal Oil & Gas Corporation shall contact the Bureau of Land Management and the Bureau of Indian Affairs between 24 and 48 hours prior to commencement of construction activities. BLM: (801) 789-1362; BIA: (801) 722-2406.
- E. The BLM and BIA offices shall be notified upon site completion and prior to moving drilling tools onto the location.
- F. One low water crossing will be installed across the main wash.
- G. A diversion ditch will be constructed around the southwest and northern sides of the location (corner stakes 5, 6, 7 and past 8).

## 14. Lessee's or Operator's Representative and Certification:

#### Representative

Coastal Oil & Gas Corporation Randy L. Bartley, Operations Manager P. O. Box 749 Denver, Colorado 80201-0749 Phone: (303) 572-1121

Eileen Dey, Regulatory Analyst\*
P. O. Box 749
Denver, Colorado 80201-0749
Phone: (303) 573-4476

\* Contact for any additional information which may be required for approval of this Application for Permit to Drill.

## 14. Lessee's or Operator's Representative and Certification:

#### Certification:

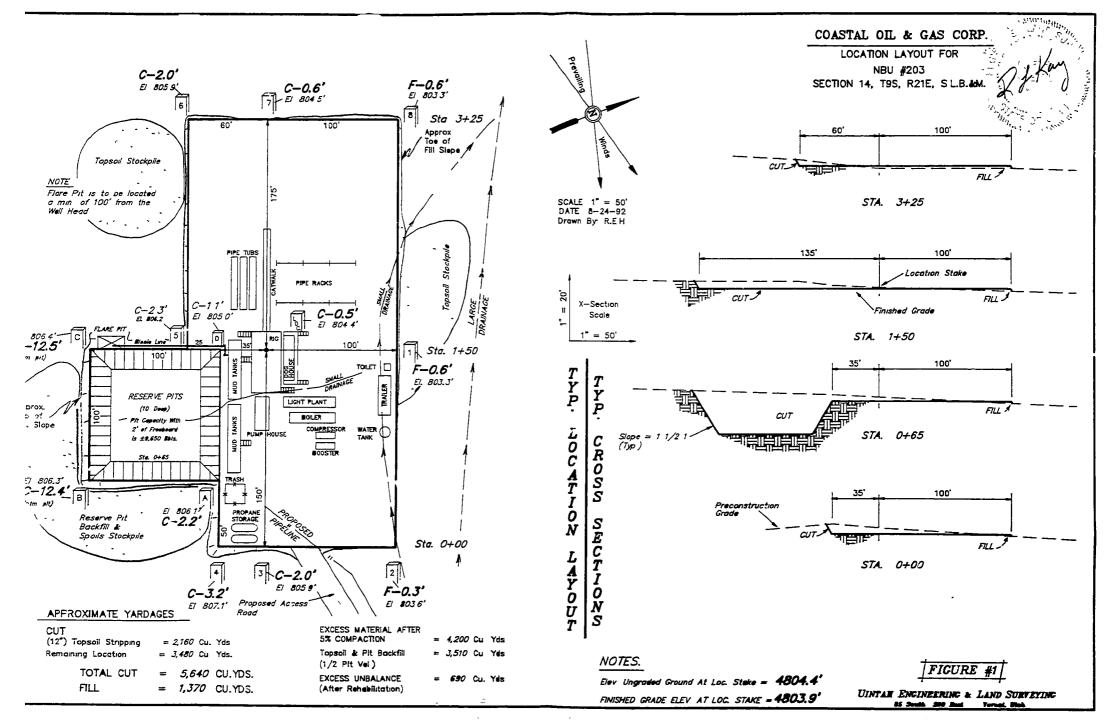
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

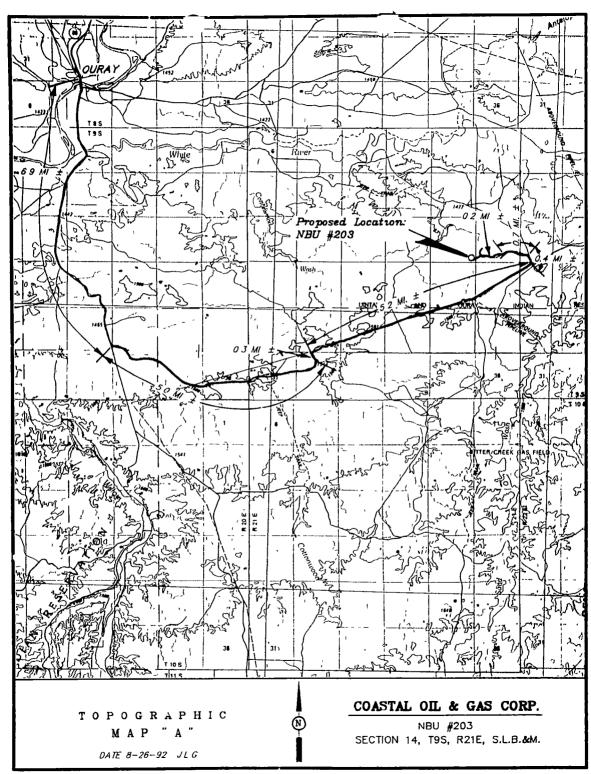
Coastal Oil & Gas Corporation will be fully responsible for the actions of their subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

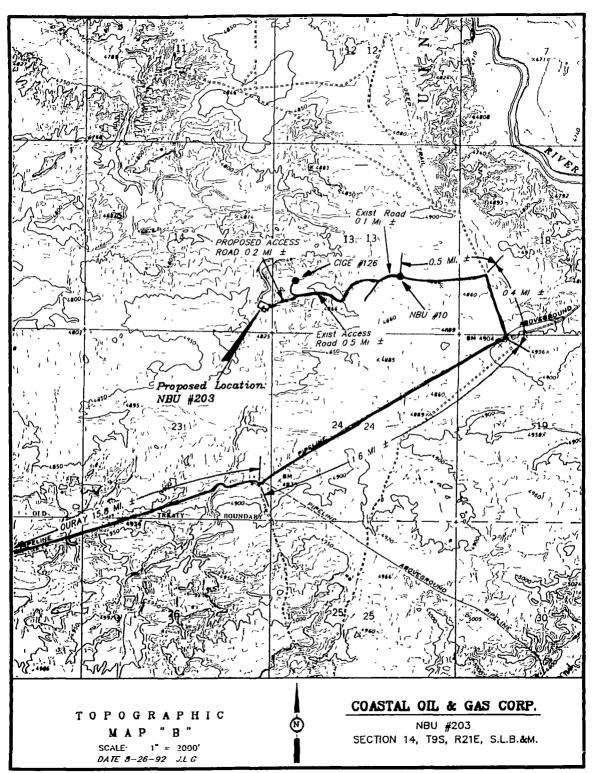
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Coastal Oil & Gas Corporation, its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

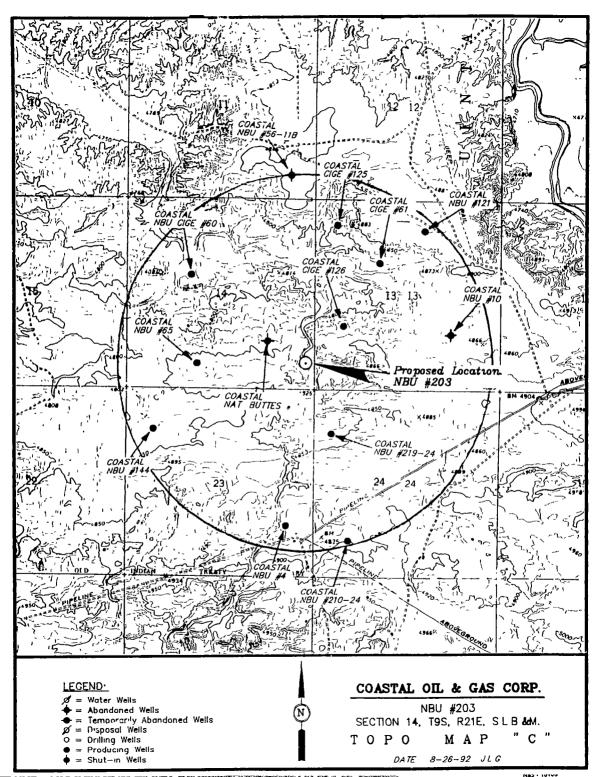
Date

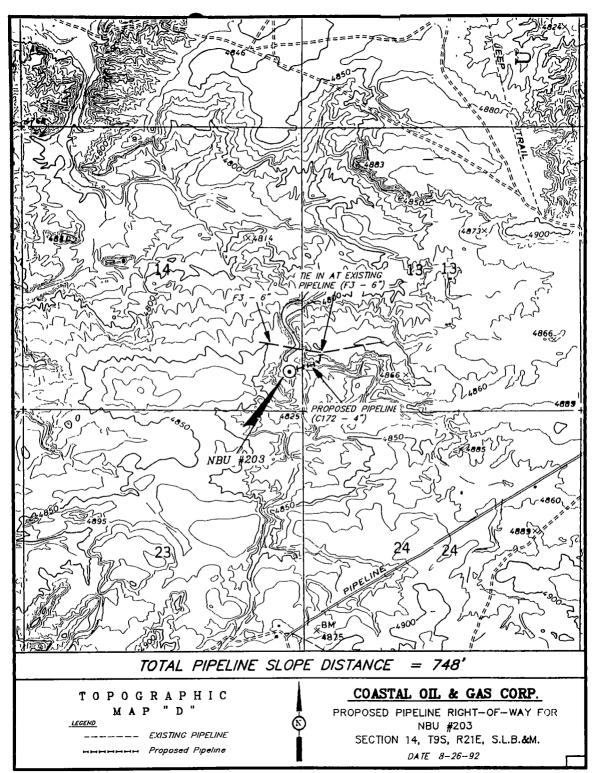
Eileen Danni Dev - Regulatory Analyst











## WORKSHEET APPLICATION FOR PERMIT TO DRILL

DATE RECEIVED: 09/18/92 operator acct no: N = (3)OPERATOR: COASTAL OIL AND GAS CORP WELL NAME: NBU 203 13-141-30358 API NO. ASSIGNED: 1-01193 LEASE NO: LEASE TYPE: FED LOCATION: SESE 14 - TOOS - R21E UINTAH COUNTY FIELD CODE: 1130 FIELD: NATURAL BUTTES RECEIVED AND/OR REVIEWED: LOCATION AND SITING: R649-2-3. Unit: Artina Butter , Plat Bond (Number R649-3-2. General. Potash (Y/N) Oil shale (YYN) R649-3-3. Exception. Water permit Drilling Unit. Board Cause no: (Date: Date: Cop PI V HE CICA CO DISTURGAÇÃO DE LA PODE Od Inab ana STIPULATIONS:



Dee C Hansen Executive Director Dianne R. Nielson Ph D Division Director

355 West North Temple 3 Triad Center Suite 350 Salt Lake City Utah #41#0 1203 #01 538 5340

September 22, 1992

Coastal Oil and Gas Corporation P O Box 749 Denver, Colorado 80201-0749

#### Gentlemen

Re. NBU 203 Well, 731 feet from the south line, 231 feet from the east line, SE 1/4
SE 1/4, Section 14, Township 9 South, Range 21 East, Uintah County, Utah

Pursuant to Utah Code Ann § 40-6-18, (1953, as amended), Utah Admin. R. 649-2-3, Application of Rules to Unit Agreements and R 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted

In addition, the following specific actions are necessary to fully comply with this approval

- 1 Compliance with the requirements of Utah Admin R 649-1 et seq., Oil and Gas Conservation General Rules
- 2. Notification within 24 hours after drilling operations commence
- 3 Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change
- 4 Submittal of the Report of Water Encountered During Drilling, Form 7
- 5 Prompt notification prior to commencing operations, if necessary, to plug and abandon the well Notify Frank R. Matthews, Petroleum Engineer, (Office) (201)538-5340, (Home) (801)476-8613, or R J Firth, Associate Director, (Home) (801)571-6068

Page 2 Coastal Oil and Gas Corporation NBU 203 Well September 22, 1992

> Compliance with the requirements of Utah Admin R 649-3-20, Gas Flaring or Venting, if the well is completed for production.

Trash and sanitary waste should be properly contained and transported to approved disposal locations, not retained in or disposed of in pits on location or downhole. Prior to the commencement of drilling operations, the operator should consult the local/county sanitarian and/or the Department of Environmental Quality, Division of Drinking Water/Sanitation, regarding appropriate disposal of sanitary waste.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-047-32358.

Sincerely.

Associate Director, Oil and Gas

Idc Enclosures cc Bureau of

Bureau of Land Management

JL Thompson

WOI1

Form 5160-5 June 1990)

## UNITED STATES DEPARTMENT OF THE INTERIOR BURE

FORM APPROVED			
5-eret mareau No	1004-3135		
Expires 'faren	31 '991		

EAU OF LAND MANAGEMENT	, resse mentalmen sue peum yo		
	U-01193		

SUMBRY NOTICES AND REPORTS ON WELLS	2 Il indian	Anonce or Tribe	740
) NOT use this form for proposals in drut or to decree or reentry in a sifferent reservoir			

Use "APPLICATION FOR PERMIT—  Use "APPLICATION FOR PERMIT—	ute Irioal		
SUBMIT IN TRIPLIC	If Unit or CA Agreement Designation		
Type of Well	- Natural Buttes chit		
— Oil — Gas — Other	3. Well Name and No.		
Name of Operator		NBU #203	
Coastal Gil Gas Corporation		+ API Well No	
Address and Felephone No		43-047- <i>32358</i>	
P.O. Box 749. Denver, Colorado 3020	01-0749 (303)572-1121	IU Field and Pool or Exploratory Area	
- Lucation of Well (Footage Sec. T. R. Vi. of Survey Description)		Natural Buttes	
731' FLSL & 231' FEL (SE/SE)	I II Count o. Parish State		
Section 14, T9S-R21E		lintah County, Itan	
. CHECK APPROPRIATE BOX(s) TO INDIC	ATE NATURE OF NOTICE, REPOR	ATAD FEHTO RO TE	
TYPE OF SUBMISSION	TYPE OF ACTION		
Y Notice of Intent	Abandonment	Change or Plans	
~	Recomptesion	Ne & Construction	
Subsequent Report	Plugging Back	Von Reutine Fracturing	
;	Casing Repoir	Water Shut-Off	
Final Abandonment Notice	Altenne Casas	Conversion to Injection	
ı	Other Install Gas Flowline	Dispose Water	
		t Note: Report retuins or multiple completion on Well Completion or Recompletion Report and Line torm is	

13 Describe Processe or Completos Operations (Cleany state all pertinent details, and give pertinent dates including ustimated date of starting any processed work. If well is directionally defined to the control of t give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work 1°

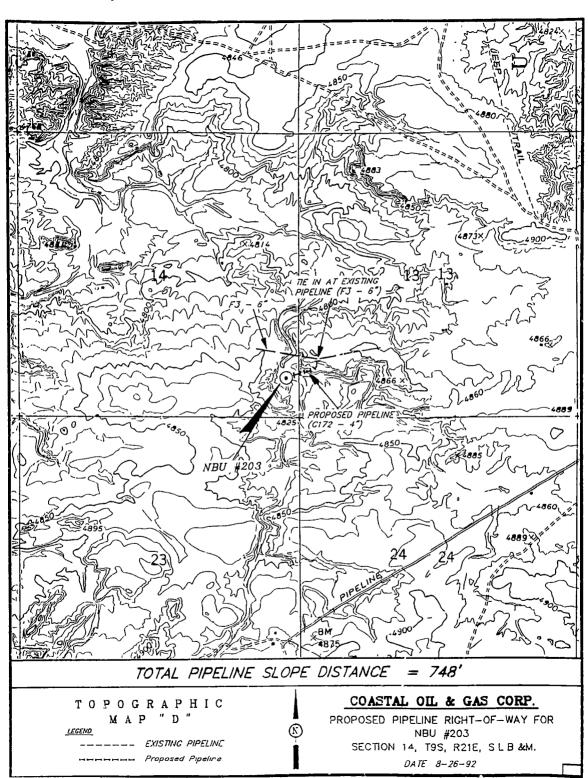
> Application for Grant of Right-of-Way has been filed with the Bureau of Indian Affairs to install a four-inch (4") surface pipeline as shown on the attached map.

> > 10-9-92 Janualkur

nct 0.7 1992

2. y' , ( H C OR BAC'S MILLIAN

14 I hereev certify the increasing is thue and correct Signed	Tide Vice President	Date 9/23/92 L
(Thurspace for Federal or Style office use) Appraved by Conditions of approval if any	Title	Date



Form 2160-3 (Nevember 1983) (formerly 9-331C)

APPROVED BY FOUND CONDITIONS OF APPROVAL, IF ANY.

#### SUBMIT IN TRIPLICATES

(Other instructions on reverse side)

Form approved.

UNITED STATES DEPARTMENT OF THE INTERIOR

	Expires August 31, 1985
ı	5 LEASE DESIGNATION AND SERIAL NO
	U-01193
_	6 IF INDIAN, ALLOTTES OR TRISE NAME

HOV 1 8 1992

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Interest Owne	rs to conduct 1	ease operat	ions	associated wil	h this	Application fo	r Permit
to Drill the	Interest Owners to conduct lease operations associated with this Application for Permit to Drill the NBU #203, Federal Lease U-01193. Bond coverage pursuant to 43 CFR 3104						
for lease activities is being provided by Coastal Oil & Gas Corporation, Nationwide							
Bond #CO-0018, who will be responsible for compliance with all the terms and conditions							
of that portion of the lease associated with this application.							
IN ABOVE SPACE DESCRIBE PROFORED PROGRAM. If Proposal is to deepen or plug back give data on present productive some and proposed new productive							
zone If proposal is, to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths Give blowout							
preventer program to kny							
1 /2/1	- K 24/m m// MMM/ M// M//						
BIGNED   MAN STILLE Regulatory Analyst DATE 9/15/92							
(This space for Fede	ral or State office use)	<del></del>					

NOTICE OF APPROVAL

## memorandum

PREPLY TO Superinterdent, Uintah & Ouray Agency

Concurrence Letter for <u>Coastal Oil & Gas Corporation</u>, ausurerROW-H62-93-16, NBU#203,SW/4 Sec. 13 and SE/4 Section 14, T9S, R21E., SLB&M,Uintah County, Utah.

TOBUREAU of Land Management, Vernal District Office Attention: Mr. Paul Andrews, Area Manager

Based on available information received on <u>November 5, 1992</u>, we have cleared the proposed locations in the following areas of environmental impact.

YES	_X_	ио	Listed threatened or endangered species
YES	_ <u>x_</u>	NO	Critical wildlife habitat
YES		NO	Archeological or cultural resources
YES		NO	Air quality aspects (to be used only if project
			is 'n or adjacent to Class I area of attainment
YES		NO	O' (if necessary)

REMARKS: Environmental Analysis - 6. MITIGATION STIPULATIONS See attached Environmental Analysis Report. Strict adherence to mitigation stipulations is required.

ENERGY & MINERALS STIPULATIONS: A. Archaeological clearance of well location, access and pipeline right-of-way. B. Paleontologist survey performed on August 12, 1992. Recommendation to move alignment of road south of hill to avoid sites. C. Flowline-4 inch surface line, approximately 748 feet in length. D. Construction of diversion ditch south, for runoff west of location. ed E. Closed Production System.

A. All vehicular traffic, personnel movement, construction and restoration operations should be confined to the areas examined, as referenced in report, and to the existing roadway and/or evaluated access routes. B. The personnel from Ute Tribe Energy and Minerals should be consulted should cultural or paleontological remains from subsurface deposits be exposed during construction work. C. All personnel should refrain from collecting artifacts and from disturbing any significant cultural/paleontological resources on all tribal lands.

RECEIVED

NOV 0 9 1992

20141LE

#### WELL LOCATION INFORMATION

Company/Operator: Coastal Oil & Gas Corporation

API Number 43-047-32358

Well Name & Number: NBU 203\_

Lease Number <u>U-01193</u>

Location SESE Sec 14 T. 95 R 21E

Surface Ownership: Tribal Lands administered by BIA

Date NOS Received: September 1, 1992

Date APD Received: September 16, 1992

#### NOTIFICATION REQUIREMENTS

Location Construction at least forty-eight (48) hours prior to construction of location and

access roads

prior to moving on the drilling rig Location Completion -

at least twenty-four (24) hours prior to spudding the well. Soud Notice

at least twenty-four (24) hours prior to running casing and Casing String and

Cementing cementing all casing strings.

BOP and Related at least twenty-four (24) hours prior to initiating pressure tests. **Equipment Tests** 

First Production within five (5) business days after new well begins, or production Notice

resumes after well has been off production for more than ninety (90)

davs.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

#### CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

#### A. DRILLING PROGRAM

#### Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report <u>ALL</u> water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

#### 2. Pressure Control Equipment

Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

#### 3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by either having a cement top for the production casing at least 200 ft. above the base of the usable water, identified at  $\pm$  319 ft. or by setting surface casing to  $\pm$  350 ft. and having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale, identified at  $\pm$  2540 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program

#### 4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

#### 5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to  $\pm$  119 ft. and shall be utilized to determine the bond quality for the production casing. Should Coastal opt to set the surface casing to  $\pm$  350 ft. then the CBL will be run from the production casing shoe to  $\pm$  2,340 ft. and shall be utilized to determine bond quality for the production casing. Submit a field copy of the CBL to this office

#### 6 Notification of Operations

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to.

#### 7. Other information

All loading lines will be placed inside the beim surrounding the tank battery

All off-lease storage, off-lease measurement, or commingling an-lease or off-lease will have prior written approval from the AD.

Gas mater runs for each well will be located within SOD feet of the wellhead. The gas flowline will be butted or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Mater runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office.

All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas

measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program.

without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

Section 102(bit3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162 4-11c), requires that \*nor later than the 5th business day after any well had an application on which regulation on the application on which regulation on the application on a lease and a silengated to a

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all

implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162 4-1(c), requires that \*not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice. Form 3160-6, or orally to be followed by a letter or sundry

the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162 4-1(b)(5)(ii)

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 108(c)(3) of

notice, of the date on which such production has begun or resumed."

In the event after-hours approvals are necessary, please contact one of the following individuals

Gerald E. Kenczka (801) 781-1190 Petroleum Engineer

Ed Forsman (801) 789-7077 Petroleum Engineer

BLM FAX Machine (801) 789-3634

#### **EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES**

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spend solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

## SURFACE USE PLAN OF OPERATION CONDITIONS OF APPROVAL

No disposal or emergency pits will be allowed. The well will have a closed production system.

Before the site is abandoned the company will be required to restore the well pad, access roads, and pipeline right-of-way to near their original state. The disturbed area will be respected with desirable perennial vegetation.

Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way onto adjoining land, the company will also be responsible for their control

After the pipeline has been constructed and the right-of-way re-seeded, vehicular travel over the right-of-way will be limited to that which is absolutely necessary for the maintenance of the pipeline.

Surface pipelines will be constructed by using the following procedures:

- a. Staging areas will be setup along roads or wellsites. The pipeline will be welded in place at the staging area.
- b. As the pipeline is welded it will be pulled to the next staging area by a suitable piece of equipment. Except for unusual conditions only one trip across the right-of-way with equipment is all that will be required.

Paleontology - To protect paleontology resources, surface pipeline construction will not occur when the soil is muddy. It will occur when the soil is either frozen, or dry



## United States Department of the Interior

#### BUREAU OF LAND MANAGEMENT

Vernal District Office 170 South 500 East Vernal, Utah 84078-2799



IN REPLY REFER TO

3162 UT08438

December 13, 1993

MECHINE

DEC 2 n 140

DIVISE.

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Randy L. Bartley Coastal Oil & Gas Corporation P.O Box 749 Denver, CO 80201-0749

Re·

Notification of Expiration
Well No. 203 43-047-32358
SESE, Section 14, T9S, R21E
'Lease No U-01193
Uintah County, Utah

Dear Mr Bartley.

The Application for Permit to Drill the above-referenced well was approved on November 19, 1992. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated

Sincerely,

Margie Herrmann

Legal Instruments Examiner

Vargie Herrmann

cc; State Div. OG&M

20m 3160-5

# LNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	FORM APPROVED				
	Budget Bureau No. 1004-0135				
	Expires March 31. 1993				
:	Lease Designation and Series No				

SUNDRY NOTICES A	ND REPORTS ON WELLS
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U-0284

Ute Tribal

So not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use 'APPLICATION FOR PERMIT— 'or such proposals.

7 If Unit of CA Agreement Designation SUBMIT IN TRIPLICATE voe or heit Natural Buttes Unit XX Gas - 0.1 . Aeil 8 Well Name and No Same of Usersion NBU ₹200 Coastal Oil & Gas Corporation 9 API Well No Address and Telephone So 43-047-32359 P. O. Box 749 Denver, CO 80201-0479 (303) 573-4476 10 Field and Post, or Exploratory Area - Location of Well (Footage Sec. T. R. M. or Survey Description) Natural Buttes II County of Parisa State 734' FLL & 1772' FSL (NE/SE) Section 19, T9S-R22E Uintah County, Utah CHECK APPROPRIATE BOXIS) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TIPE OF SUBMISSION TYPE OF ACTION - Notice of Intent 1 Danassement Change or Plans Yew Construction XX Subsequent Report

13 Describe Pre busine or Competent Operations (Clearly state all pertinent detail) and give pertinent dates including estimated date of starting any proposed were if well as deformancely drall give substitute locations and managined and true vertical depths for all matters and genes pertinent to this work; 1"

Diber Report of Operations

Please see the attached chronological history for the drilling operations performed on the above referenced well.

CTO 10 1592

THE CASE MINIMO

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14 I hereau christy ingli tage i perguoung them and correct  Signore AUNI AUNI (6)	Tide Regulatory Analyst	D= 12/28/92
This space (ref Follows or State office use)  Approved by Condenses of approved, if any	Title	Date
or appearance and any		

Title 18 U.S.C. Section (00) makes it a crimit for any parts

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### COASTAL OIL & GAS CORPORATION CHRONOLOGICAL HISTORY

NBU #200 HATURAL BUTTES UNIT UINTAH COUNTY, UTAP CHANDLER #1

WI: 100X COGC AFE: 13850 TD: 6370' (WASATCH) SD: 11/30/92 CSG: 8-5/8" @ 267'

DHC(MS): 181.5

267' WORT. Spudded well at 10 a.m., 11/25/92 w/Leon Ross Drlg. Drill 12-1/4" hole to 258' GL. RIH w/256.64' 8-5/8" 24# K-55 ST&C csg. Set at 267' KB Cmt w/Howco: 150 sx PPAG w/2K CaCl2, 1/4#/sx Flocele. Displace w/14 bbls 11/28/92 wir. Circ 7 bbls cmt to pit. CC: \$49,717.

11/30/92 261' RURY. Chandler Rig #1, expect to spud today. CC: \$49.717.

12/1/92 746' Drig 479'/6 hrs. Drig. NU BOPE, test to 2000#, OK. Test hydril and csg to 1500%, OK. PU BHA, tag cmt at 235'. Thaw out and start up air pkg. Drig cmt and shoe. Repack swivel, drig cmt. Drig, svy: 1/2 dag @ 298'. Spudded well at 11:30 p.m., 11/30/92. Air mist, 1200 CFM. CC: \$60,146.

12/2/92 2067' Orlg 1321'/20 hrs. Svy 1 deg @ 799'; 1-1/2 deg @ 1291'; 2 deg @ 1873'. Toll for string float and svy RS, chk BOPE. Drig, repair air pkr. Drig, 70H for string float and svy. Cht out rot hd rbr Air mist, air 1200 CFM CC: \$82,438.

2951' Drlg 884'/18 hrs. Drlg, RS, chk BOP's. Drlg, svys: 2 deg @ 2443'; 1-3/4 deg @ 2596'. TOM to OC's, PU 3 OC's. TIH, XD to wtr at 2443' Drlg, svy, TFNB Work Junk sub, drlg w/wtr. CC: \$98,243. 12/3/92

12/4/92 4119' Orig 1168'/23 hrs Drig, RS, chk BOP and svy: 1-3/4 deg @ 3093'; 2-1/4 deg @ 3594'. Aeraced wtr. air 800 CFM CC. \$112,058.

5145' Drlg 1026'/22 6 hrs. Drlg, svy. 2 deg @ 4108', 2 deg @ 4610'. RS, chk BOP, drlg w/aerated wir & wir CC: \$126,355. 12/5/92

12/6/92 5750' Drlg 605'/23 hrs. Drlg, RS, svys: 2-1/2 deg @ 5149': 2-1/4 deg @ 5635' Drlg breaks from 5330-46': 5529-42'. Drlg w/wtr, DAP 6 PPB. CC: \$135,617.

6250' Drlg 500'/23.5 hrs. Drlg, RS, chk BOPE Drlg brks from 5846-5856' & 6068-6082' 6 PPB DAP wtr. CC. \$142,698. 12/7/92

12/8/92 6370' Reaming at 1085' W/string reamer (bit at 2976'). Drill to 6370'. TD well at 11 a.m., 12/7/92. Circ, ST 25 stds, hole free Displace hole w/10p brine. Drop svy and POH for logs. Stuck at 1891' Work free, stuck at 1861' RU surface Jars Free w/l lick of Jars. Free to move down hole, cannot come up PU string reamer. TIH, ream 1085', unable to come up hole. Brine, MW 10. CC: \$150,431.

6370' Reaming w/7-7/8" string reamer at 1210' (bit at 3071') Ream from 1085-1020' (bit at 2881' and reamer at 1020') PDH to 1158'. Bit pipe stuck. PU surf Jars and Jar free. LD 7-7/8" string reamer PU 6-1/8" key seat winer TIH to 2946' (bit depth) and 1085' KSW depth. Ream 2946'-3161'. TIH to 3618' w/bit. POK, stuck at 1158' bit depth. PU surf Jars and Jar free. PU 7 7/8" string mill TIH to 2911' bit depth. Ream 1050'-1210', bit 3061' Wfr. CC: \$157.762 12/9/92 Wtr. CC: \$157.768.

6370' T/H w/bit to mud up. TIH to 3515', POH. TIH w/7-7/8" string mill on top of DC's to 6370' POH to 3772' Circ and displace w/300 bbls brine. POH for logs. RU HLS and RIH w/tools Stuck at 1370'. Top of tool at 1250'. 12/10/92 Work stuck tool. MU fishing tools TIH w/side door OS to 1250'. Latch fish and POOH LD tools, TiH W/bit to mud up Ream through bridge at 1280'. Boiler 24 hrs Brine. CC: \$177,019.

## COASTAL OIL & GAS CORPORATION CHRONOLOGICAL VILSTORY

NBU #200 NATURAL BUTTES UNIT UINTAH COUNTY, UTAH PAGE 2

12/11/92

6370' TLK w/8MA, prep to 10 DP and DC. TIH, WAR 90' to bim. RS, chk BOPE. Circ w/W/O drlg mud. Displace hole w/10 5 // 9al 900 bbls mud w/partial to no returns. TOH w/BHA. Chain out and SLM, no corr. RU HLS and run open hole logs Logger's TD at 6320' TIH w/BHA. HW 10.5, VIS 45, WL 10. CC: \$201,432.

12/12/92

6370' RDRT TIH, LD DP and DC's RU csg tools. RIH w/147 jts 5-1/2" 17# K-55 8rd LT&C csg Tally run 6374.46'. Circ and wash 110' to btm. Set at 6366' FC at 6321' RU Howco Pump 30 bbls mud flush, 150 sx Hi-Fill std w/3#/sx Capseal, 3% HR7, 200 sx Hi-Fill std w/2#/sx Capseal, 3% HR7, 200 sx Hi-Fill std w/2#/sx Capseal, 3% HR7. Tail w/550 sx "H" 50-50 Poz w/2% gel, 10% salt (BWOW), .6% Hal24, 2% CFR3, 1#/sx Capseal, 1/4#/sx Flocele. Displace w/147 bbls wtr. Bump plug to 1850#. Mud flush returns, no cmt. Floats held. AD BOPE. Set csg slips w/95,000#, cut off csg Rig released at 11 00 p m, 12/11/92. CC: \$283,326. FINAL ORILLING REPORT



Governor
Ted Stewart
Executive Director
Jan, a W. Carter

3 Triad Contor, Suito 350 Sall Luke City, Utah 64160 1203 801 538 5340 801 359 3940 (Fex.)

Jam: 1 W Carter 801 359 3940 (Fex)
Division Director 801 538 5319 (TOD)

January 5, 1994

Randy L. Bartley Coastal Oil and Gas Corporation P.O. Box 749 Denver, Colorado 80201-0749

Re. Application for Permit to Drill Well No. NBU 203 SE SE, Sec 14, T 9 S , R. 21 E Uintah County, Utah API No. 43-047-32358

Dear Mr Bartley:

The Bureau of Land Management, Vernal District rescinded its approval of the referenced application on December 13, 1993 In conformance with this action, the Division rescinds its approval of the referenced application issued on September 22, 1992.

If you have any questions, please contact Mike Hebertson at (801)538-5340

Sincerely,

Frank R Matthews
Petroleum Engineer

ldc

CC.

R J Firth

D T Staley

D M Eatchel

Bureau of Land Management - Vernal District

Well file

**WOI196** 

